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Proposed Attorneys for Lincolnshire Campus, LLC and  
Naperville Campus, LLC, Debtors and Debtors in  
Possession

Proposed Attorneys for Monarch Landing, Inc. and  
Sedgebrook, Inc., Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

<b>In re:</b>	§	<b>Case No. 10-34176</b>
	§	
<b>LINCOLNSHIRE CAMPUS, LLC, <i>et al.</i><sup>1</sup></b>	§	<b>Chapter 11</b>
	§	
<b>Debtors.</b>	§	<b>Joint Administration Pending</b>

**SUPPLEMENTAL MOTION OF LINCOLNSHIRE CAMPUS, LLC AND  
NAPERVILLE CAMPUS, LLC FOR ORDERS (I) APPROVING BID  
PROCEDURES AND PROVIDING CERTAIN PROTECTIONS TO SENIOR  
CARE DEVELOPMENT, LLC; AND (II) AUTHORIZING THE (A) SALE OF  
SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR OF  
ALL LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES AND (B) THE  
ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS  
AND LEASES**

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<sup>1</sup> The Debtors in these chapter 11 cases are (a) Lincolnshire Campus, LLC, Case No. 10-34176, (b) Naperville Campus, LLC, Case No. 10-34177, (c) Monarch Landing, Inc., Case No. 10-34179, and (d) Sedgebrook, Inc., Case No. 10-34178.

Lincolnshire Campus, LLC, (“Lincolnshire”), Naperville Campus, LLC, (“Naperville”), (the “Debtors”) by their proposed attorneys, hereby file this supplement (the “Supplement”) to their previously filed Motion [Dkt. No. 35] (the “Motion”) for entry of orders (I) approving bid procedures and providing certain protections to Senior Care Development, LLC (“SCD” or “Buyer”); and (II) authorizing (a) the sale of substantially all of the Debtors’ assets, free and clear of all liens, claims and encumbrances and (b) the assumption and assignment of certain executory contracts and leases. In support of this Supplement, the Debtors respectfully represent as follows:

### **Preliminary Statement**<sup>2</sup>

Subsequent to the filing of the Motion, in order to resolve all of the objections to the Motion, the Debtors have negotiated the First Amendment to Purchase Agreement (the “APA Amendment”) between SCD and the Debtors, and amended the bid procedures (the “Amended Bid Procedures”) sought in the Motion. Therefore, by this Supplement, Debtors hereby supplement the Motion and notify the Court of the Amended Bid Procedures and the terms of the APA Supplement. A summary of the Debtors business operations, as well as a summary of the APA and the bidding procedures as initially proposed to the Court are contained in the Motion, all of which is incorporated herein by reference.

### **Jurisdiction and Venue**

1. The Court has jurisdiction over the Motion and this Supplement pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

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<sup>2</sup> All terms used in the Preliminary Statement section shall have the meanings provided in the Motion.

3. The statutory bases for the relief requested herein is sections 105(a), 363, and 365 of title 11 of United States Code (the “Bankruptcy Code”), rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Standing Order Concerning Guidelines for Compensation and Expense Reimbursement of Professionals, for Early Disposition of Assets in Chapter 11 Cases, and for Motions and orders Pertaining to Use of Cash Collateral Post Petition Financing, dated December 21, 2000, issued by the Bankruptcy Court for the Northern District of Texas (the “Standing Order”).

### **The Chapter 11 Cases**

4. On June 15, 2010 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

5. The Debtors continue in the possession of their property and the management of their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.

6. No trustee, examiner or committee has been appointed in these cases by the United States Trustee.

### **The Amended Asset Purchase Agreement**

7. In order to resolve all objections filed in response to the Motion, SCD, the Debtors and their respective professionals cooperated to renegotiate certain terms the Asset Purchase Agreement (the “APA”, a copy of which is attached to the Motion as Exhibit A). All of the changes to the APA terms and conditions are detailed in the APA Amendment, which is attached hereto as Exhibit “A” and incorporated herein by reference.<sup>3</sup> The Debtor believes that the APA Amendment resolves all objections to the Motion.

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<sup>3</sup> This description of the APA Amendment is qualified in its entirety by the APA and the APA Amendment.

### **The Proposed Amended Bid Procedures**

8. Again, in an effort to fully resolve the objections filed in relation to the Motion, the Debtors have negotiated certain amendments to the bidding procedures as they are initially described in the Motion. The modifications to the bidding procedures as initially proposed in the Motion are reflected in the Amended Bidding Procedures, which are attached as hereto Exhibit “B” and incorporated herein by reference. The Debtor believes that the Amended Bidding Procedures resolve all of the objections to the Motion.

### **Notice**

9. Notice of this Supplement has been provided to (a) the Office of the United States Trustee for the Northern District of Texas; (b) the Debtors’ twenty largest unsecured creditors on a consolidated basis; and (c) counsel Senior Care Development, LLC. The Debtors submit that, in light of the nature of the relief requested, no other or further notice is necessary or required.

WHEREFORE, the Debtors respectfully request that the Court enter orders (i) granting the relief sought in the Motion as supplemented by this Supplement and (ii) granting such other and further relief as is just and proper.

Dated: July 15, 2010.

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